

New study finds severe financial vulnerability among African-American and Latino seniors

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Millions of African-American and Latino seniors are living on the edge of financial collapse, according to a new report, *Severe Financial Insecurity among African American and Latino Seniors*. Released today by the Institute on Assets and Social Policy (IASP) at Brandeis University and the public policy organization, Demos, the report finds that African American and Latino seniors face widespread financial insecurity during retirement, a trend accelerated by the current economic crisis. According to the study, 9 in 10 senior households of color lack sufficient resources for long-term economic security.

Painting a daunting picture, these findings are a result of analysis utilizing the Senior Financial Stability Index (SFSI), a tool developed by IASP and Demos to assess the long-term [economic security](#) of seniors. A combination of inadequate pensions and savings, high housing costs, accelerating health expenses, and other trends that affect seniors, will likely get worse, unless policies are enacted to address them.

"The current [economic crisis](#) will compound economic vulnerabilities that have been building for years unless policies are developed to reverse these trends," said Tatjana Meschede, lead author of the report released today.

Particular vulnerabilities identified in the report include:

- More than three-fourths of senior households of color do not have adequate financial resources from savings, Social Security, or pension income to cover essential expenses for their expected life spans.
- Out-of-pocket health care expenses are burdensome for 34 percent of African American and 39 percent of Latino seniors.
- High housing expenses put the budgets of 6 out of 10 senior households of color at risk.

"These data show that millions of African American and Latino seniors are living on the edge of financial collapse, unable to rely on assets, income, or other pillars of [financial stability](#). Their circumstances are only made worse by the recent [economic downturn](#), which has been characterized by dramatic losses in assets and housing values," said Thomas Shapiro, co-author of the report and Director of the Institute on Assets and Social Policy.

Policies must not only strengthen the existing safety-nets and promote asset building opportunities for vulnerable seniors, they also must protect younger families to help them enter retirement on a stronger economic footing. "Future retirees will be worse off unless we attend to policies that grow their resources for the future, and combat the rising costs of essential expenses for seniors," said Jennifer Wheary, report co-author and a Senior Fellow at Demos.

More information: For more information and to download the report, visit www.iasp.brandeis.edu or www.demos.org

Provided by Brandeis University

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